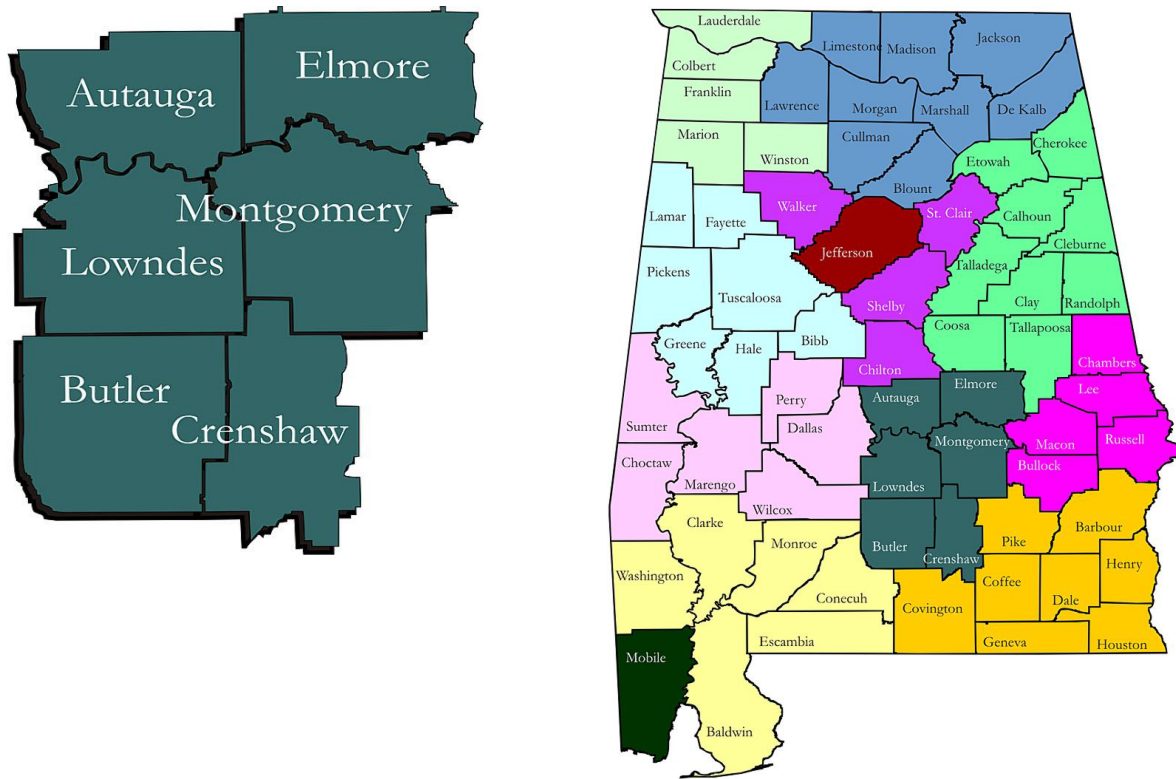


WIAA Region 7 Workforce Report



Summary

- Region 7 had a 4.3 percent unemployment rate in August 2005, with about 7,900 unemployed. However, the six-county region has a 55,200-strong available labor pool that is looking for better jobs and includes 47,300 underemployed workers. The underemployed are willing to commute farther and longer; for the one-way commute, 70 percent are prepared for 20 or more minutes longer and 65 percent will go 20 or more extra miles.
- In 2000, about 13,400 residents commuted into the region for work, compared to 8,850 out-commuters. All counties, except Montgomery, had a net commuter outflow. Montgomery County had a net 6,150 commuter inflow. Significant commuting within the region suggests that the roads and highways must be maintained properly to ensure uninterrupted movement of workers as impeded movement of workers can slow economic development.
- Educational attainment in the region is better than for Alabama. Of the age 25 and over population, Alabama has 75 percent high school graduates and 19 percent bachelor's or higher degree holders, compared to 78 percent and 23 percent, respectively, for the region. Montgomery County stands out with 80 percent high school graduates and 29 percent bachelor's or higher degree holders.

- Employment is currently growing faster than the labor force. More jobs might intensify commuter inflow, but also presents a challenge to workforce development. Initiatives addressing this challenge should consider (i) focusing on hard-to-serve populations (e.g. out-of-school youth and illiterate adults), (ii) facilitating in-commuting, and (iii) helping communities gain new residents. Increasing population is generally more beneficial to communities than in-commuting. Hard-to-serve populations are often outside of the mainstream economy, poor, and have difficulty finding work, but are potential labor force participants. Investment in training, transportation, child care, infrastructure, etc. may be needed to tap this resource.
- By sector, the top five employers in the region are public administration; retail trade; manufacturing; health care and social assistance; and accommodation and food services. These five industries provided almost 90,000 jobs, 55 percent of the region total in the second quarter of 2004. Two of the leading employers—public administration and manufacturing—had higher average monthly wages than the \$2,591 regional average.
- On average about 8,570 jobs were created per quarter from second quarter 2001 to second quarter 2004; quarterly net job flows averaged 650. Job creation is the number of new jobs that are created either by new area businesses or through expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.
- Four occupations are both high-demand and fast-growing: Home Health Aides; Electricians; Security Guards; and First-Line Supervisors/Managers of Production and Operating Workers. The top five high-demand occupations are Cashiers; Retail Salespersons; Combined Food Preparation and Serving Workers; Office Clerks, General; and Waiters and Waitresses. The top five fast-growing occupations are Computer Software Engineers, Applications; Grinding and Polishing Workers, Hand; Home Health Aides; Computer Software Engineers, Systems Software; and Mechanical Engineers.
- The top 50 highest earning occupations are mainly in health, legal, management, engineering, computer, and postsecondary education fields. Of the top 10 high-earning occupations, seven are in health, two are legal, and one is management. Almost all high-earning occupations require bachelor's or higher degrees.
- Fast-growing or high-demand occupations are generally not high-earning. Of 39 selected high-demand, 34 selected fast-growing, and 50 selected high-earning occupations, only one high earning occupation, General and Operations Managers, is in the high-demand category. Four occupations are both high-earning and fast-growing: Sales Managers; Computer Software Engineers, Applications; Mechanical Engineers; and Industrial Engineers.
- The most relevant skills for high-demand and fast-growing occupations are basic: active listening, reading comprehension, speaking, writing, and service orientation. High-demand and high-growth occupations are also common to the leading employment sectors. Economic development should aim to diversify and strengthen the region's economy by retaining, expanding, and attracting more high-wage providing industries.

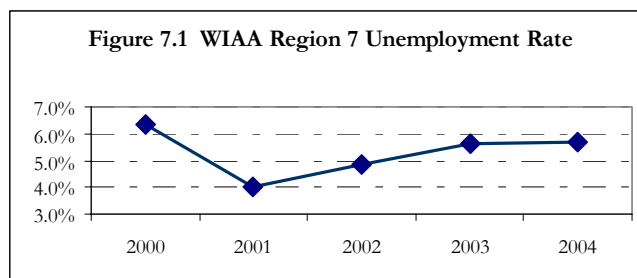
- The finding that basic skills are important—for high-demand, high-growth, and high-earning jobs—indicates a strong need for training in these skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills as well as enhancing these basic skills. Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.
- Skill and education requirements for jobs keep rising. This emphasizes the need to raise educational attainment in the region and presents challenges to workforce development. It also presents opportunities for economic development through workforce development activities that involve postsecondary and higher education institutions. Higher incomes to graduates from these institutions would help to raise personal income for the region. Raising personal income by improving educational attainment for a region that has a large number of low wage jobs is an effective economic development strategy.
- A highly educated and productive workforce is a critical economic development asset. Together, workforce development and economic development can provide this asset and build a strong well-diversified regional economy. Indeed, one cannot achieve success without the other.

Workforce Supply

Labor Force Activity

The labor force includes all persons in the civilian noninstitutional population who are age 16 and over and who have, or are actively looking for, a job. Typically, those who have no job and are not looking for one are not included (e.g. students, retirees, and the disabled). Table 7.1 shows labor force information for Region 7 and its six counties for 2004 and August 2005. Larger increases in the number of employed residents relative to labor force size lowered unemployment in 2005 for the region and its counties. The Crenshaw County labor force declined slightly.

Unemployment rates in 2004 ranged between 4.6 percent and 9.4 percent for the counties, with 5.7 percent for the region. In August 2005, the unemployment range was 3.2 percent to 8.0 percent, with a 4.3 percent rate for the region. Annual unemployment rates for 2000 to 2004 are shown in Figure 7.1. The region's unemployment dropped to 4.0 percent in 2001, rose to 5.7 percent in 2004, but has been declining since. Employment in the region averaged 164,430 quarterly from the second quarter of 2001 to third quarter 2004 (Figure 7.2). Employment, which refers to the number of full-time and part-time jobs, has been recovering since the low point in the first quarter of 2002.

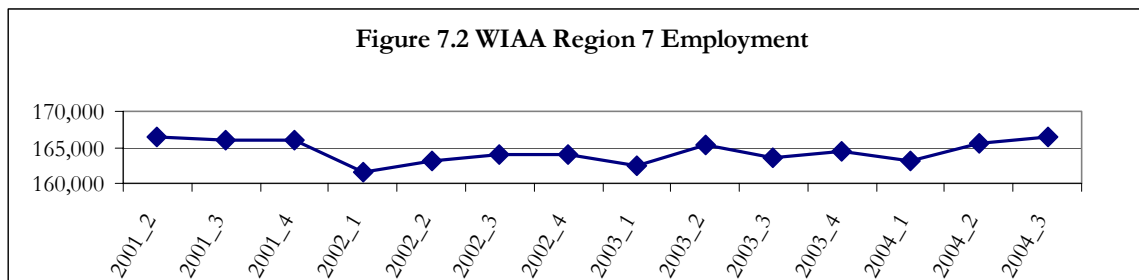


Source: Alabama Department of Industrial Relations.

Table 7.1 WIAA Region 7 Labor Force Information

	2004			
	Labor Force	Employed	Unemployed	Rate
Autauga	22,950	21,893	1,057	4.61%
Butler	9,146	8,287	859	9.39%
Crenshaw	5,819	5,427	392	6.74%
Elmore	33,043	31,501	1,542	4.67%
Lowndes	5,086	4,628	458	9.01%
Montgomery	105,950	99,865	6,085	5.74%
WIAA Region 7	181,994	171,601	10,393	5.71%
Alabama	2,148,766	2,029,314	119,452	5.56%
U.S.	147,401,000	139,252,000	8,149,000	5.53%
	2005 August			
	Labor Force	Employed	Unemployed	Rate
Autauga	23,361	22,518	843	3.61%
Butler	9,200	8,644	556	6.04%
Crenshaw	5,766	5,475	291	5.05%
Elmore	33,469	32,401	1,068	3.19%
Lowndes	5,176	4,761	415	8.02%
Montgomery	107,406	102,718	4,688	4.36%
WIAA Region 7	184,378	176,517	7,861	4.26%
Alabama	2,155,745	2,065,528	90,217	4.18%
U.S.	150,469,000	143,142,000	7,327,000	4.87%

Source: Alabama Department of Industrial Relations and U.S. Bureau of Labor Statistics.



Source: Alabama Department of Industrial Relations and U.S. Census Bureau.

Commuting Patterns

In 2000, about 4,540 more people commuted into the region for work than commuted out (Table 7.2). There was significant commuting within the region as well. All counties, except Montgomery, had a net commuter outflow. Montgomery County had a net 6,150 commuter inflow.

Table 7.2 also shows the one-way average commute time and distance for workers in 2004; the data were collected as part of a survey on underemployment. The one-way commute takes less than 20 minutes for 50 percent of resident workers; between 20 and 40 minutes for 31 percent; and more than 40 minutes for 14 percent. About 3 percent of workers take more than an hour.

The commute is less than 10 miles for 42 percent of workers and about 28 percent travel 10 to 25 miles. About 25 percent of workers travel more than 25 miles one-way, with about 8 percent exceeding 45 miles. This commuting data suggest that roads and highways must be maintained properly to ensure uninterrupted movement of workers so as to not slow economic development.

Table 7.2 WIAA Region 7 Commuting Patterns

Area	Inflow, 2000		Outflow, 2000	
	Number	Percent	Number	Percent
Autauga	913	6.8	1,639	18.5
Butler	524	3.9	683	7.7
Crenshaw	555	4.1	1,082	12.2
Elmore	1,751	13.1	1,883	21.3
Lowndes	307	2.3	369	4.2
Montgomery	9,342	69.8	3,192	36.1
WIAA Region 7	13,392	100.0	8,848	100.0

Average commute time (one-way), 2004		Percent of workers
Less than 20 minutes		50.2
20 to 40 minutes		31.3
40 minutes to an hour		10.8
More than an hour		3.2
Average commute distance (one-way), 2004		Percent of workers
Less than 10 miles		42.1
10 to 25 miles		28.1
25 to 45 miles		17.5
More than 45 miles		7.6

Note: Rounding errors may be present.

Source: U.S. Census Bureau and Alabama Department of Industrial Relations.

Population

The Region 7 population estimate of 389,555 for 2004 is 2.1 percent higher than was recorded for 2000 (Figure 7.3 and Table 7.3). The population shrank in four counties. The region's population is projected to rise 10.4 percent in this decade to about 421,400 by 2010. Elmore and Autauga counties will grow the fastest, but Butler will lose residents. Faster employment growth is likely to intensify commuting into and within the region. Communities that experience rapid job gains should invest in amenities and infrastructure to attract new residents. Such a strategy could reduce commuter burden on the region's roads.

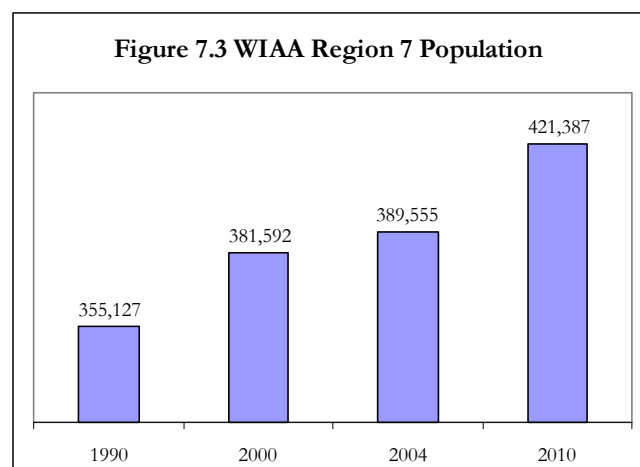


Table 7.3 WIAA Region 7 Population

	1990 Census	2000 Census	2004 Estimate	% Change 2000-2004	2010 Projected	% Change 2000-2010
Autauga	34,222	43,671	47,468	8.7	53,469	22.4
Butler	21,892	21,399	20,764	-3.0	20,806	-2.8
Crenshaw	13,635	13,665	13,610	-0.4	13,710	0.3
Elmore	49,210	65,874	71,944	9.2	81,959	24.4
Lowndes	12,658	13,473	13,210	-2.0	14,065	4.4
Montgomery	223,510	223,510	222,559	-0.4	237,378	6.2
WIAA Region 7	355,127	381,592	389,555	2.1	421,387	10.4
Alabama	4,040,587	4,447,100	4,530,182	1.9	4,838,812	8.8
U.S.	248,709,873	281,421,966	296,655,404	5.4	314,571,000	11.8

Source: Center for Business and Economic Research, The University of Alabama and U.S. Census Bureau.

Educational Attainment

Educational attainment of Region 7 residents who are 25 years old and over is shown below in Table 7.4 and Figures 7.4 and 7.5. About 78 percent graduated from high school and 23 percent hold a bachelor's or higher degree. Montgomery County leads with 80 percent high school graduates and 29 percent bachelor's or higher degree holders; Autauga and Elmore follow. Educational attainment is important as skills rise with education and high wage 21st century jobs demand more skill sets.

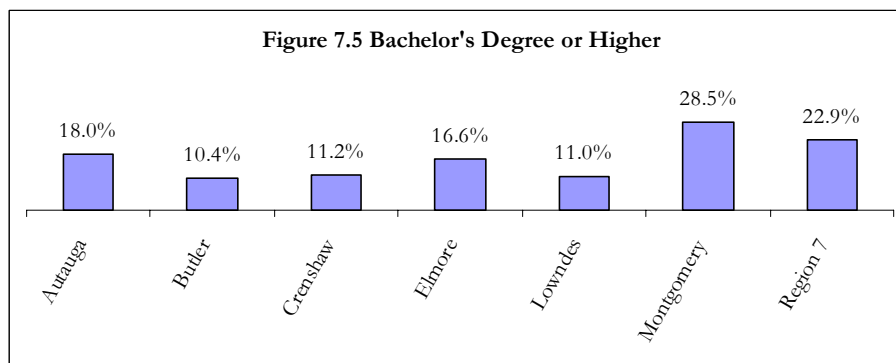
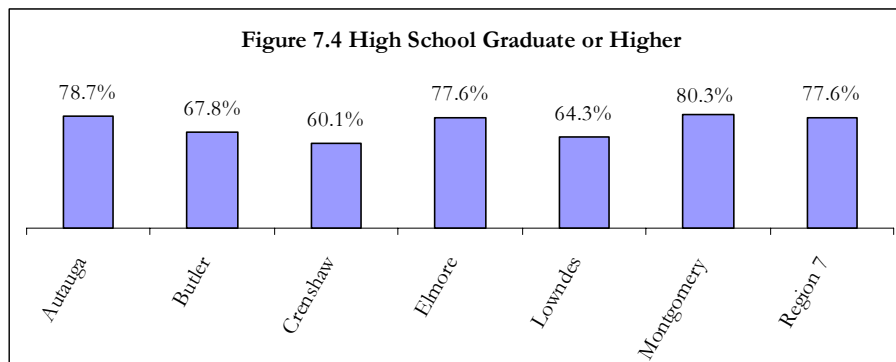


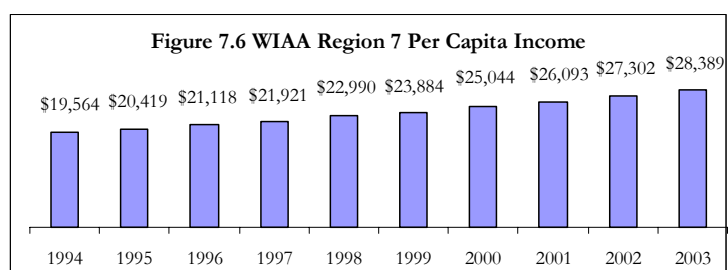
Table 7.4 Educational Attainment in 2000, Population 25 Years and Over

	Autauga	Butler	Crenshaw	Elmore	Lowndes	Montgomery	Region 7
Total	27,589	13,767	9,268	43,177	8,183	141,342	243,326
No schooling completed	196	244	235	306	292	1,658	2,931
Nursery to 4th grade	138	186	136	248	149	907	1,764
5th and 6th grade	368	499	374	523	278	2,061	4,103
7th and 8th grade	886	818	759	1,663	457	3,731	8,314
9th grade	1,028	696	525	1,617	345	3,774	7,985
10th grade	1,095	785	644	1,858	380	4,685	9,447
11th grade	1,136	634	494	1,842	439	4,837	9,382
12th grade, no diploma	1,025	577	533	1,622	585	6,252	10,594
High school graduate/equivalent	9,332	4,749	2,689	14,576	2,731	34,410	68,487
Some college, less than 1yr	2,053	940	479	3,405	382	9,331	16,590
Some college, 1+ yrs, no degree	3,971	1,595	938	6,123	933	22,237	35,797
Associate degree	1,389	611	423	2,221	311	7,165	12,120
Bachelor's degree	3,245	1,015	670	4,567	603	24,620	34,720
Master's degree	1,329	257	322	2,073	252	11,273	15,506
Professional school degree	276	142	46	407	38	2,970	3,879
Doctorate degree	122	19	1	126	8	1,431	1,707

Source: Center for Business and Economic Research, The University of Alabama and U.S. Census Bureau.

Per Capita Income

Per capita income (PCI) in Region 7 was at \$28,389 in 2003 (Figure 7.6), 45 percent higher than in 1994, and about \$1,900 or 7 percent more than the Alabama average of \$26,505. Montgomery County had the highest PCI with \$31,381 and Lowndes had the lowest with \$18,870. Only Montgomery County's PCI was above the state average.



Source: U.S. Bureau of Economic Analysis and Center for Business and Economic Research, The University of Alabama.

Underemployment and Available Labor

Labor force data are often limited to information on the employed and the unemployed that is available from government sources. However, this information is not complete from the perspective of employers. New or expanding employers are also interested in underemployment because current workers are potential employees. In fact, experience requirements in job ads are evidence that many prospective employers look beyond the unemployed for workers.

Workers in occupations that underutilize their experience, training, and skills are underemployed. These workers might look for other work because their current earnings are below what they believe they can get or because they wish to not be underemployed. Underemployment occurs for various

reasons including (i) productivity growth, (ii) spousal employment and income, and (iii) family constraints or personal preferences. The various contributing factors combined with economic, social, and geographic characteristics of areas make underemployment unique to areas.

The existence of underemployment identifies economic potential that is not being realized. It is extremely difficult to measure this economic potential because of uncertainties regarding additional income that the underemployed can bring to an area. It is clear, however, that underemployment provides opportunities for selective job creation and economic growth. A business that needs skills prevalent among the underemployed could locate in WIAAs with such workers regardless of those areas' unemployment rates. A low unemployment rate, which may falsely suggest limited labor availability, is not a hindrance to the business.

The underemployed present a significant pool of labor because they tend to respond to job opportunities that they believe are better for reasons that include (i) higher income, (ii) better benefits, (iii) better terms and conditions of employment, and (iv) better match with skills, training, and experience. The underemployed also create opportunities for entry level workers as they leave lower-paying jobs for better-paying ones. Even if their previously held positions are lost or not filled (perhaps due to low unemployment), there is economic growth in gaining higher-paying jobs. Such income growth boosts consumption, savings, and tax collections. Quantifying the size of the underemployed is a necessary first step in exploiting it for economic development, workforce training, planning, and other uses.

WIAA Region 7 had an underemployment rate of 26.8 percent in 2004. Applying this rate to August 2005 labor force data means that about 47,300 employed residents were underemployed (Table 7.5). Adding the unemployed gives a total available labor pool of 55,168 for the region. This pool is about seven times the number of unemployed and is a more realistic measure of the available labor in the region. However, prospective employers must be prepared to offer the underemployed higher wages, better terms of employment, or some other incentives to induce them to change jobs. Underemployment ranged from 23.2 percent for Lowndes County to 32.8 percent for Butler County. Montgomery County has the largest available labor in the region and Lowndes County has the smallest.

Table 7.5 Available Labor in WIAA Region 7

	<u>Region 7</u>	<u>Autauga</u>	<u>Butler</u>	<u>Crenshaw</u>	<u>Elmore</u>	<u>Lowndes</u>	<u>Montgomery</u>
Labor Force	184,378	23,361	9,200	5,766	33,469	5,176	107,406
Employed	176,517	22,518	8,644	5,475	32,401	4,761	102,718
Underemployment rate	26.8%	23.3%	32.8%	26.1%	24.7%	23.2%	28.4%
Underemployed workers	47,307	5,247	2,835	1,429	8,003	1,105	29,172
Unemployed	7,861	843	556	291	1068	415	4688
Available labor pool	55,168	6,090	3,391	1,720	9,071	1,520	33,860

Note: Rounding errors may be present. Based on August 2005 labor force data and 2004 underemployment rates.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

Workforce Demand

Industry Mix

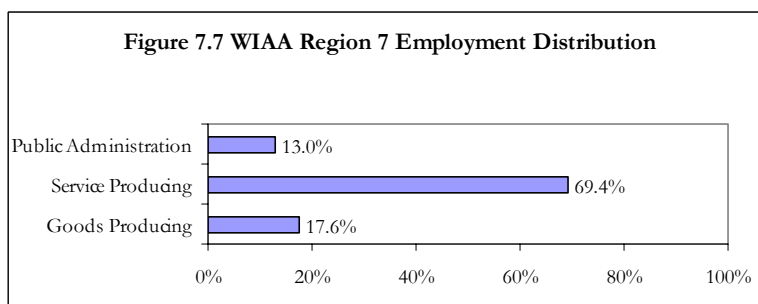
The public administration sector was the leading employer with 21,404 jobs in the second quarter of 2004 (Table 7.6). The rest of the top five industries by employment are retail trade; manufacturing; health care and social assistance; and accommodation and food services. These five industries provided almost 90,000 jobs, 55 percent of the region total. The average monthly wage across all industries in the region was \$2,591. Two of the leading employers—public administration and manufacturing—paid more than this average. The highest average monthly wages were for professional, scientific, and technical services (\$4,127), utilities (\$4,065), and finance and insurance (\$3,714). Accommodation and food services paid the least at \$1,161. Finance and insurance had the highest average monthly new hire wages with \$3,341, followed by professional, scientific, and technical services with \$2,876. Accommodation and food services paid the least average monthly new hire wages with \$808.

Table 7.6 Industry Mix (2nd Quarter 2004)

Industry by 2-digit NAICS Code	Total Employment	Share	Rank	Average Monthly Wage	Average Monthly New Hire Earnings
11 Agriculture, Forestry, Fishing and Hunting	1,033	0.63%	18	\$2,334	\$1,946
21 Mining	250	0.15%	20	\$3,195	\$2,717
22 Utilities	1,288	0.78%	17	\$4,065	\$2,507
23 Construction	8,806	5.36%	7	\$2,782	\$2,242
31-33 Manufacturing	18,792	11.45%	3	\$2,985	\$2,650
42 Wholesale Trade	7,029	4.28%	10	\$3,336	\$2,509
44-45 Retail Trade	19,011	11.58%	2	\$1,973	\$1,287
48-49 Transportation and Warehousing	5,220	3.18%	13	\$2,539	\$1,888
51 Information	2,534	1.54%	15	\$3,139	\$2,175
52 Finance and Insurance	8,639	5.26%	9	\$3,714	\$3,341
53 Real Estate and Rental and Leasing	2,681	1.63%	14	\$2,412	\$1,636
54 Professional, Scientific, and Technical Services	6,933	4.22%	11	\$4,127	\$2,876
55 Management of Companies and Enterprises	785	0.48%	19	\$3,660	\$2,499
56 Administrative and Support and Waste Management and Remediation Services	8,788	5.35%	8	\$1,697	\$1,204
61 Educational Services	12,616	7.69%	6	\$2,409	\$1,303
62 Health Care and Social Assistance	17,295	10.54%	4	\$2,514	\$1,829
71 Arts, Entertainment, and Recreation	2,074	1.26%	16	\$1,513	\$1,006
72 Accommodation and Food Services	13,482	8.21%	5	\$1,161	\$808
81 Other Services (except Public Administration)	5,489	3.34%	12	\$2,131	\$1,595
92 Public Administration	21,404	13.04%	1	\$3,028	\$1,980
ALL INDUSTRIES	164,149	100.00%		\$2,591	

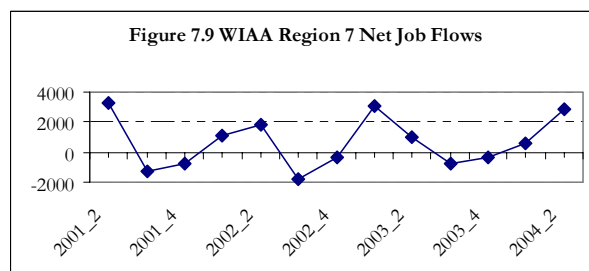
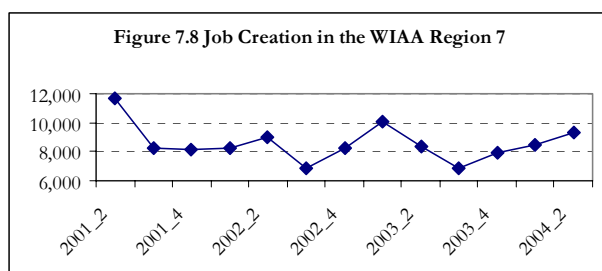
Source: Alabama Department of Industrial Relations and U.S. Census Bureau.

By broad industry classification, service producing industries provided about 69 percent of all covered jobs in the region in second quarter 2004 (Figure 7.7). Goods producing industries were next with 18 percent and public administration with 13 percent.



Job Creation and Net Job Flows

On average, about 8,570 jobs were created per quarter from second quarter 2001 to second quarter 2004 (Figure 7.8). Quarterly net job flows averaged 650 in the same period (Figure 7.9). Net job flows have ranged from a loss of 1,800 to a gain of about 3,300. Job creation refers to the number of new jobs that are created either by new area businesses or through the expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.



Source: Alabama Department of Industrial Relations and U.S. Census Bureau.

High-Demand Occupations

Table 7.7 shows the top 39 of more than 530 occupations ranked by projected demand for jobs. Many of these occupations are common to the region's top five employment sectors identified earlier: manufacturing; health care and social assistance; educational services; retail trade; and public administration. Thus these sectors will continue to dominate employment in the region. The top five high-demand occupations are Cashiers; Retail Salespersons; Combined Food Preparation and Serving Workers; Office Clerks, General; and Waiters and Waitresses.

Fast-Growing Occupations

The 34 fastest growing occupations ranked by projected growth of employment are listed in Table 7.8. Many of these occupations are in health or health support and computer. The top five fast-growing occupations are Computer Software Engineers, Applications; Grinding and Polishing

Workers, Hand; Home Health Aides; Computer Software Engineers, Systems Software; and Mechanical Engineers. Four occupations are both high-demand and fast-growing: Home Health Aides; Electricians; Security Guards; and First-Line Supervisors/Managers of Production and Operating Workers.

Table 7.7 Selected High-Demand Occupations (Base Year 2002 & Projected Year 2012)

Occupation	Annual Average Job Openings		
	Total	Due to Growth	Due to Separations
Cashiers	385	80	305
Retail Salespersons	300	85	215
Combined Food Preparation and Serving Workers	270	95	175
Office Clerks, General	255	85	170
Waiters and Waitresses	250	60	190
Laborers and Freight, Stock, and Material Movers, Hand	175	40	135
Janitors and Cleaners, Except Maids	165	80	85
General and Operations Managers	155	65	90
Truck Drivers, Heavy and Tractor-Trailer	155	85	70
Registered Nurses	145	80	65
Bookkeeping, Accounting, and Auditing Clerks	130	45	85
Sales Representatives, Except Technical and Scientific Products	110	55	55
Customer Service Representatives	105	65	40
Teacher Assistants	95	50	45
Secretaries, Except Legal, Medical, and Executive	95	15	80
Nursing Aides, Orderlies, and Attendants	95	60	35
Child Care Workers	95	45	50
First-Line Supervisors/Managers, Retail Sales	90	40	50
First-Line Supervisors/Managers of Office and Administrative Support Workers	90	35	55
Accountants and Auditors	85	35	50
Maids and Housekeeping Cleaners	85	45	40
Maintenance and Repair Workers, General	80	45	35
Receptionists and Information Clerks	75	40	35
Home Health Aides**	75	60	15
Elementary School Teachers, Except Special Education	75	35	40
Licensed Practical and Licensed Vocational Nurses	75	35	40
Security Guards**	70	40	30
Tellers	65	15	50
Cooks, Institution and Cafeteria	60	20	40
Automotive Service Technicians and Mechanics	60	25	35
Secondary School Teachers, Except Special Education	60	25	35
Landscaping and Groundskeeping Workers	55	20	35
Packers and Packers, Hand	55	25	30
First-Line Supervisors/Managers of Production and Operating Workers**	50	30	20
Electricians**	50	30	20
Food Preparation Workers	50	20	30
Executive Secretaries and Administrative Assistants	50	20	30
Carpenters	50	25	25
Counter and Rental Clerks	50	20	30

Note: A minimum of 50 average annual job openings is used as selection criterion and data are rounded to nearest 5.

** Qualify as both high-demand and fast-growing occupations.

*** The data for these occupations are confidential using Bureau of Labor Statistics standards.

Source: Alabama Department of Industrial Relations.

Table 7.8 Selected Fast-Growing Occupations (Base Year 2002 & Projected Year 2012)

Occupation	Employment		Percent Change	Annual Growth (Percent)	Total Annual Average Job Openings
	2002	2012			
Computer Software Engineers, Applications	170	280	64.7	5.12	10
Grinding and Polishing Workers, Hand	110	180	63.6	5.05	10
Home Health Aides**	960	1,560	62.5	4.97	75
Computer Software Engineers, Systems Software	130	210	61.5	4.91	10
Mechanical Engineers	130	210	61.5	4.91	15
Medical Records and Health Information Technicians	230	370	60.9	4.87	20
Medical Assistants	520	810	55.8	4.53	40
Industrial Engineers	150	230	53.3	4.37	15
Personal and Home Care Aides	290	440	51.7	4.26	20
Emergency Medical Technicians and Paramedics	290	430	48.3	4.02	20
Fitness Trainers and Aerobics Instructors	250	360	44.0	3.71	15
Preschool Teachers, Except Special Education	480	690	43.8	3.70	25
Public Relations Managers	260	370	42.3	3.59	15
Production, Planning, and Expediting Clerks	***	***	***	***	***
Social and Human Service Assistants	390	550	41.0	3.50	20
Dental Hygienists	200	280	40.0	3.42	10
Dental Assistants	280	390	39.3	3.37	20
Welders, Cutters, Solderers, and Brazers	440	610	38.6	3.32	30
Network and Computer Systems Administrators	240	330	37.5	3.24	15
Paralegals and Legal Assistants	280	380	35.7	3.10	10
Electricians**	890	1,200	34.8	3.03	50
Directors, Religious Activities and Education	320	430	34.4	3.00	15
Security Guards**	1,230	1,650	34.1	2.98	70
Mental Health and Substance Abuse Social Workers	150	200	33.3	2.92	10
Child, Family, and School Social Workers	300	400	33.3	2.92	15
Surveying and Mapping Technicians	90	120	33.3	2.92	10
Medical Transcriptionists	180	240	33.3	2.92	10
Welding, Solderers, and Brazers Machine Setters and Operators	120	160	33.3	2.92	10
Veterinary Assistants and Laboratory Animal Caretakers	150	200	33.3	2.92	10
Extruding, Forming, Pressing, and Comp. Mach. Set., Oper. and Tenders	***	***	***	***	***
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	480	640	33.3	2.92	20
First-Line Supervisors/Managers of Production and Operating Workers**	980	1,300	32.7	2.87	50
Sales Managers	370	490	32.4	2.85	20
Legal Secretaries	530	700	32.1	2.82	25

Note: Selection criterion is annual growth rate of at least 2.8 percent. Employment level data are rounded to the nearest 10 and job openings data are rounded to the nearest 5.

** Qualify as both high-demand and fast-growing occupations.

*** The data for these occupations are confidential using Bureau of Labor Statistics standards.

Source: Alabama Department of Industrial Relations.

High-Earning Occupations

Any discussion of earnings must consider that wages vary with experience. Occupations with the highest entry wages may not necessarily have the highest average or experienced wages. Table 7.9 shows 50 selected highest earning occupations in the region. These high-earning occupations are mainly in health, legal, management, engineering, computer, and postsecondary education fields. They are generally not fast-growing or high-demand. One occupation, General and Operations Managers, is both high-earning and high-demand. Four occupations are both high-earning and fast-growing: Sales Managers; Computer Software Engineers, Applications; Mechanical Engineers; and Industrial Engineers.

Table 7.9 Selected High-Earning Occupations

Occupation	Mean Annual Salary (\$)
Surgeons	180,856
Obstetricians and Gynecologists	176,010
Internists, General	169,749
Family and General Practitioners	146,370
Podiatrists	142,667
Psychiatrists	137,197
Chief Executives	135,304
Dentists, General	134,410
Law Teachers, Postsecondary	111,970
Lawyers	106,933
Administrative Law Judges, Adjudicators, and Hearing Officers	103,563
Engineering Managers	96,200
Computer and Information Scientists, Research	90,459
Natural Sciences Managers	88,795
Personal Financial Advisors	88,046
General and Operations Managers	85,821
Aerospace Engineers	84,344
Pharmacists	83,075
Chiropractors	82,514
Optometrists	81,806
Real Estate Brokers	81,723
Computer and Information Systems Managers	81,078
Health Specialties Teachers, Postsecondary	80,930
Marketing Managers	79,435
Computer Hardware Engineers	79,414
Sales Managers	78,957
Electronics Engineers, Except Computer	78,686
Securities, Commodities, and Financial Services Sales Agents	78,458
Environmental Engineers	76,960
Computer Software Engineers, Systems Software	76,794
Chemical Engineers	76,502
Financial Managers	76,003
Airline Pilots, Copilots, and Flight Engineers	74,870
Medical and Health Services Managers	72,925
Electrical Engineers	72,904
Purchasing Managers	72,488
Computer Software Engineers, Applications	71,698
Mechanical Engineers	70,221
Education Administrators, Postsecondary	69,618
Industrial Production Managers	69,056
Management Analysts	68,806
Veterinarians	68,619
Construction Managers	67,163
Sales Engineers	66,934
Computer Programmers	66,789
Operations Research Analysts	66,518
Computer Systems Analysts	65,250
Industrial Engineers	65,125
Aerospace Engineering and Operations Technicians	65,000
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	64,979

Note: The list of occupations is specific to the region, but earnings are statewide. Only the 50 highest earning single occupations are presented. The list does not include occupations that are affected by confidentiality. Some high-earning occupational groups are not listed because earnings can vary considerably for occupations within these groups. Employment data are rounded to the nearest 10. The data provided are based on the November 2004 release of the Occupational Employment Statistics (OES) combined employment and wage file. Estimates for specific occupations may include imputed data.

"NA" indicates data items that are not publishable or not available.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

Other Workforce Issues

Available Labor

The availability of labor is critical to economic development. WIAA Region 7 currently has a low unemployment rate, but it also has a 55,200-strong available labor pool that is looking for better jobs, typically higher-wage ones. This pool includes 47,300 underemployed workers. The region's underemployed workers are willing to commute farther and longer; 70 percent are prepared for 20 or more minutes longer and 65 percent for 20 or more extra miles.

Low wages at the available jobs and a lack of job opportunities in their areas are the primary reasons given for being underemployed. Retirement and disability are the primary reasons given for not working, but a lack of job opportunities is also frequently cited. Some nonworkers may become part of the labor force if their problems can be addressed. Economic development efforts should take these factors into consideration.

Employment is currently growing faster than the labor force. Higher employment demand could intensify commuter inflow, but also presents communities with opportunities to attract new residents. Some communities must be prepared to invest in amenities and infrastructure to support such growth because immigration is generally more beneficial to communities than in-commuting.

Immigration is one way of growing the labor force through growth in the population. The region's population growth rate is above the state's rate and this is expected to continue through 2010. Another strategy to expand the labor force to meet possible increases in employment demand is to raise labor force participation by focusing on hard-to-serve populations, which include persons in poverty, those receiving welfare, those in sparsely populated areas, those on active parole, and out-of-school youth. These people are often outside of the mainstream economy and poor. They usually have difficulty finding work because they have low levels of educational attainment, lack occupational skills, or face geographic or other barriers. Some investment in training, transportation, child care, infrastructure, etc. may be needed to tap these potential workers.

Skills

Jobs require skill sets and it is necessary that jobholders have the relevant skills. High earning occupations typically require more complex skills, which are obtained in the pursuit of the high educational attainment levels that such jobs require. Low earning occupations require fewer and more basic skill sets; some low earning occupations have no minimum skill set requirements (e.g. dishwashers and maids).

Table 7.10 shows the percentage of selected occupations in WIAA Region 7 that list a particular skill as primary. We define a primary skill as one in the top 10 of the required skill set for an occupation. O*NET Online provides skill sets for all occupations ranked by the degree of importance. Thus primary skills are more important than other skills. It is important to note that a particular skill may be more important and more extensively used in one occupation than another. Table 7.10 does not address such cross-occupational skill importance comparisons.

Table 7.10 Share of Selected Occupations for Which Skill Is Primary

	Selected High-Demand Occupations	Selected Fast-Growing Occupations	Selected High-Earning Occupations
Basic Skills			
Active Learning	36%	50%	72%
Active Listening	85%	71%	80%
Critical Thinking	62%	59%	92%
Learning Strategies	31%	18%	6%
Mathematics	33%	24%	36%
Monitoring	44%	32%	30%
Reading Comprehension	79%	82%	92%
Science	0%	3%	32%
Speaking	72%	65%	62%
Writing	41%	56%	38%
Complex Problem Solving Skills			
Complex Problem Solving	3%	18%	40%
Resource Management Skills			
Management of Financial Resources	3%	0%	14%
Management of Material Resources	5%	6%	2%
Management of Personnel Resources	10%	3%	12%
Time Management	49%	53%	48%
Social Skills			
Coordination	36%	47%	30%
Instructing	33%	32%	18%
Negotiation	5%	0%	18%
Persuasion	5%	9%	18%
Service Orientation	41%	35%	14%
Social Perceptiveness	49%	47%	14%
Systems Skills			
Judgment and Decision Making	23%	38%	72%
Systems Analysis	0%	6%	14%
Systems Evaluation	3%	0%	26%
Technical Skills			
Equipment Maintenance	10%	12%	2%
Equipment Selection	15%	21%	8%
Installation	13%	15%	2%
Operation and Control	8%	6%	6%
Operation Monitoring	5%	12%	4%
Operations Analysis	3%	9%	22%
Programming	0%	6%	10%
Quality Control Analysis	3%	6%	4%
Repairing	13%	12%	0%
Technology Design	0%	6%	10%
Troubleshooting	10%	15%	16%
Note: Definitions for skill types and skills are available at http://online.onetcenter.org/skills/			
Source: O*NET Online and Center for Business and Economic Research, The University of Alabama.			

In general, basic skills are most frequently listed as primary. Science and critical thinking skills are primary for more selected high-earning occupations than selected fast-growing and selected high-demand occupations. A similar pattern holds for complex problem solving, resource management, and systems skills; these skills require longer training periods and postsecondary education. The high-demand and high-growth occupations in the region are dominated by occupations for which

the most relevant skills are active listening, reading comprehension, speaking, writing, and service orientation.

Education and Training Issues

Educational attainment in WIAA Region 7 is below that of the state. Seventy-eight percent of residents age 25 and over have graduated from high school and 23 percent have a bachelor's or higher degree, compared to 75 percent and 19 percent, respectively, for Alabama. Montgomery stands out with 80 percent high school graduates and 29 percent bachelor's or higher degree holders. Education and skill requirements for jobs keep rising and emphasize a very strong need to raise educational attainment in the region.

Table 7.11 shows the number of selected occupations in the region for which a particular education/training category is most common. In general, high-earning occupations typically require a bachelor's or higher degree. Most of the high-demand jobs do not require postsecondary training; some form of on-the-job training is the minimum requirement. About 30 percent of fast-growing occupations require a bachelor's or higher degree. The challenge for the region is that future high-demand jobs are likely to require some postsecondary education and training.

Table 7.11 Number of Selected Occupations with Most Common Education/Training Requirement

Most Common Education/Training Requirements Categories	Selected High-Demand Occupations	Selected Fast-Growing Occupations	Selected High-Earning Occupations
First Professional Degree			13
Doctoral Degree			1
Master's Degree		1	2
Work Experience Plus a Bachelor's or Higher Degree	1	2	13
Bachelor's Degree	3	7	18
Associate Degree	1	3	1
Postsecondary Vocational Training	2	5	
Work Experience in a Related Occupation	3	1	1
Long-term On-the-job Training	2	3	
Moderate On-the-job Training	8	6	1
Short-term On-the-job Training	19	6	

Note: The last three education and training requirements categories are based on the length of time it generally takes an average worker to achieve proficiency for occupations in which postsecondary training is usually not needed for entry. **Long-term** requires more than 12 months on-the-job training that can include up to four years of apprenticeship, formal classroom instruction, and short-term employer-sponsored training. Trainees are generally considered to be employed in the occupation. **Moderate-term** requires one to 12 months on-the-job experience and informal training. **Short-term** requires up to one month on-the-job experience and training.

Source: O*NET Online; Center for Business and Economic Research, The University of Alabama; and Alabama Department of Industrial Relations.

The finding that basic skills are important for all the selected occupations (Table 7.10) indicates a strong need for training in these skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skill types while enhancing basic skills. Employers should be an integral part of planning for training as they can point out the skill needs of the future and any existing gaps.

High-earning occupations make up a small component of total employment and jobs offered by top employers in the region. Diversifying the region's economy would strengthen it. Economic development should also focus on retaining, expanding, and attracting businesses that provide more high-earning jobs. Workforce development should pay attention to postsecondary and higher educational systems to ensure a ready and available workforce for these businesses. The higher incomes to graduates of these institutions would help raise personal income for the region. Raising personal income by improving educational attainment and technological skills is an effective economic development strategy.

A highly educated and productive workforce is a critical economic development asset. Together, workforce development and economic development can provide this asset and build a strong well-diversified regional economy. Indeed, one cannot achieve success without the other.

Regional Advisory Council Annual Report: Implications for Action

The material in this section is from the July 2005 Annual Report of the Region 7 Workforce Development Regional Advisory Council. It does not necessarily reflect the opinions of the direct contributors to this workforce report.

The Region 7 Advisory Council suggests the following be the primary focus for the 2006-2007 and 2007-2008 program years:

1. Marketing of Existing Programs and Services. During advisory council discussions very few members were aware of the programs and services that were available in their own county or through state agencies. Many were also not aware of the programs being funded through WIA or how they could access those programs. More must be done at state and local levels to market the services that WIA funding supports and to support programs that could enhance WIA efforts through alternate funding streams. Without clients, these programs cannot exist and available workers must be made aware of how their public dollars can help them be trained or get a good job in their hometown.

2. Soft Skills Training. The largest set of skills most often lacking in today's workforce are not the technical skills needed to operate a piece of equipment or do a job, but rather the soft skills associated with being a good employee. These skills include modeling positive behaviors that give both them and their corporate employer a sense of satisfaction and security in that worker's ability and performance. These include: attendance, character, organization, respect, teamwork, personal appearance, honesty, and others. A comprehensive training program for soft skills is being introduced at Montgomery's Trenholm State Technical College in the fall of 2006 and would serve as a model for certified soft skills training for the region.

3. Upgrade Incumbent Worker Skills. Additional funding and marketing of this program can impact the ability for existing industry to expand more than any other publicly-funded program currently in place. More attention should be given to industries looking to upgrade worker skills. These upgrades can ensure the worker has a stable future in the industry, reduce worker turnover, and give industry an opportunity to expand and add more jobs.

4. Increase Funding in Key Technical Fields. Economic development recruitment efforts listed in the annual report, coupled with a strong desire to see existing business and industry grow, means

increasing efforts in targeted skills areas to ensure a ready, trained workforce is available to meet new demands. These areas include:

- ♦ Customer Service
- ♦ Electricians
- ♦ Industrial Maintenance
- ♦ Information Technology Technicians
- ♦ Machinists
- ♦ Medical Technical Specialists (radiologists, etc.)
- ♦ Transferable skills that can be used across industry sectors
- ♦ Welders
- ♦ Workplace Literacy (basic reading comprehension and math)

Financial support and setting forth policies that will enhance programs in these areas is needed at the postsecondary level. Highly qualified, experienced instructors and state-of-the art facilities and equipment need to be put into place to replace some of the outdated facilities and equipment. Additionally, the State of Alabama is encouraged to find the most cost-effective means to apply these additional funds and reduce the per capita cost for training workers.

5. Implementation of a Workforce Development Assessment. Business and industry need a comprehensive assessment of each candidate when he/she applies for a job. Most are able and willing to assess the candidate for the technical and academic skills required to perform the job duties required. However, there is no accepted assessment of applicants available. Such an assessment would enable businesses and industries to hire with increased efficiency. The Region 7 Workforce Development Advisory Council recommends the uniform implementation of the WorkKeys assessment to adequately evaluate a job seeker's ability to perform well in publicly-funded training programs to increase his/her potential for success in the program and on the job.

6. K-12 Education Must Become an Active Component of Workforce Development. The importance of growing a skilled, educated workforce for an area is of critical importance to the Region 7 Advisory Council. As was stated previously, in order to ensure that quality workers enter the workforce prepared, middle, junior, and high schools in the area must understand their role in preparing these future workers and adopt a program immediately to see that soft skills, customer service, basic computer competencies, and limited technical skills taught are learned by all students.

7. Utilize Community Services and Agencies in Rural Areas. In rural parts of the Region 7 area, it is the community services and nonprofit agencies that provide the greatest level of service to those in need of workforce programs. In many cases, these smaller organizations are forced to work in competition with, and not in cooperation with, state agencies vying for the same client base and funding streams. More consolidation in rural areas could eliminate the duplication of programs and services. Anecdotal data indicate applicants are more inclined to seek assistance from a local nonprofit or faith-based organization than a state agency. In essence, this recommendation would create a community career development network based on the functions of workforce development as opposed to being based on traditional workforce development providers. This effort could also increase the potential to recapture workers ages 55 and over who have previously exited the workforce.

8. Recruit Additional Workers. The unemployment rate in Region 7 is at an all time low. An increasing number of new jobs will lead to a workforce shortage if new skilled workers are not

recruited to the area. The economic health of the communities will stagnate if industries cannot expand or locate new businesses in the area due to a shortage of workers. Talent from neighboring states could provide additional workforce resources needed to manage the current challenge and provide a strong base for additional training and recruitment programs in the future.

9. Assist the Military in Transitioning Soldiers to the Civilian Workforce. A large military presence in the Region 7 area attracts a level of professionalism, skill, and talent second to none in the world. These soldiers often retire or leave active duty service in the area and seek employment. When employment isn't easily found, they will relocate to other states and communities quickly. A concentrated effort should be made to assist existing military transition programs in finding employment for exiting military personnel to keep their talent and skill in the area and thus increase the level of the workforce of the area.

10. Encourage Career Development Coordinators be Placed at Every High School. To better ensure that young people are educated about the career and training opportunities that exist in the Region, the Region 7 Advisory Committee suggests that Career Development Coordinators, in addition to guidance counselors, be placed at each high school to oversee a student's post-high school plans, and be sure he/she has a plan in place. This person could work with local workforce development agencies to access WIA services and programs, locate work opportunities, identify workforce skill deficiencies, and assist the student and his/her parents in making a choice that benefits the local workforce and the student's best interests. All high school students could participate in these activities through a required career development program, which we believe should be implemented in all public high schools.